FIRST DAWOOD INVESTMENT BANK LIMITED

Half Yearly Report

31 December 2012

FIRST DAWOOD INVESTMENT BANK LIMITED

CONTENTS

CORPORATE INFORMATION

Board of Directors	Mr. Rafique Dawood	Chairman
	Mr. Rasheed Y. Chinoy	Chief Executive Officer
	Mr. Ayaz Dawood	Director
	Mr. Asad Hussain Bokhari	Alternate Director (in place of AVM S.J.Raza - Nominee of DCM)
	Mr. M. Riyazul Haque	Director (Nominee of NIT)
	Mr. Khurshid A. Khair	Director
	Mr. Abu Khursheed M. Ariff	Director
Audit Committee	Mr. Asad Hussain Bokhari	Chairman
	Mr. M. Riyazul Haque	Member
	Mr. Khurshid A. Khair	Member

Chief Financial Officer &
Company Secretary Mr. Nabeel Asif

Auditors
Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
(A Member Firm of Prime Global)

Legal Advisor
Mohsin Tayebaly & Co.

Management Consultants
Shekha & Mufti
Chartered Accountants
(A Member Firm of Moore Stephens International)

Bankers
Al-Baraka Islamic Bank
Bank Al-Habib
Habib Metropolitan Bank
National Bank of Pakistan
Oman International Bank
Standard Chartered Bank
United Bank

Registered Office
Head Office
1900-B, Saima Trade Towers, I. I. Chundrigar Road,
Karachi-74000
PABX: +92 (21) 3227-1875-80, 3701-0960-65, 3701-4641-44
Fax: +92 (21)3227-1913 Email: fdib@firstdawood.com
URL: www.firstdawood.com

Branch Offices

Islamabad Branch
Office No. 405, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Islamabad
Tel: +92 (051) 289-4486
Fax: +92 (051) 289-4487
Email: brrgmisb@yahoo.com

Lahore Branch
Suite No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard,
Gulberg III, Lahore
Tel: +92 (42) 3578-1888
Fax: +92(42)3578-1890
Email: fdibl@yahoo.com

Share Registrar

F.D. Registrar Services (SMC-Pvt) Ltd.
1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road,
Karachi-74000
Tel: +92 (21} 3547 8192-93 / 021-32771906
Fax: +92 (21) 3262 1233 / 021-32271905
Email: fdregistrar@hotmail.com, fdregistrar@yahoo.com

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST COMPASSIONATE, THE MOST MERCIFUL

Dear Shareholders,

The Board of Directors of **First Dawood Investment Bank Limited** ("FDIBL" or the "Company") is pleased to present the reviewed interim financial statements of the Company for the period ended December 31, 2012.

The NBFC Sector is still in the process of recovery; The Management of FDIBL has positioned the company to take advantage of the investment opportunities available in the equity markets. The core philosophy of investment remains intact in terms of taking appropriate exposures in good sectors and companies which offers relatively higher yielding investments that are likely to exhibit short term growth and enhanced risk adjusted returns.

Your company during the 1st half for financial year 2012-13, has reported after-tax profit of Rs.32.89 million as compared to loss of Rs.209.94 million during corresponding period last year. Despite of the changes in the provision requirements, which were previously governed by Schedule X of the Non - Banking Finance Companies and Notified Entities Regulations, 2008 which had separate criteria for Short & Medium Term financing facilities and Long Term financing facilities, now Schedule XI has revised the process and laid down same criteria for all facilities, the changes did not materially affect the financial statements mainly because of the change in the recovery strategy under the new management and efforts of the recovery team.

The new management realizes the importance and in future it plans to focus more on such efforts. Further the management successfully negotiated with those clients whose securities are intact or to repossess the securities to offer it for sale. Moreover the regulators are facilitating a new business model for this sector which is expected to let the NBFC sector stand on sound footings by financial year ending 2013.

The Management also realizes settlement of liabilities is pivotal and therefore it entered into an out of court settlement with one of its long outstanding creditor with assistance of Karachi Centre for Dispute Resolution (KCDR). Subsequently a Compromise Application has been filed and accepted by the Honourable High Court of Sindh. With the help of sponsoring Directors it is expected that the aforementioned settlement will successfully be executed as per the terms of the agreement.

Despite high inflationary trend, the management has kept a tight control, and managed to curtail the administrative expenses for the period under review at the same levels of the corresponding period last year.

As a result of continuous negotiations with financial institutions the management has been successful in reducing its financial Cost significantly to Rs.8.01 million from Rs.16.99 million during the corresponding period last year. More emphasis is now being made to restructure of remaining portion of liabilities on much softer terms for further reduction in the financial costs.

The management of FDIBL is continuing its efforts for recoveries and focusing its priority on reduction in non-performing portfolio. Our Special Assets and Legal Department are making coordinated efforts to reduce non-performing loans which are pursued through negotiations and settlements which will enhance the company's financial health and corresponding values.

All efforts are being made by BOD and the Management to take the Company forward according to the Rules and Regulation of our regulator.

The Board of Directors acknowledges and appreciates the efforts and contribution of all staff and the management in these hard times. We also take this opportunity to express our gratitude to our regulator SECP, our valued customers, business partners, other stakeholders, shareholders and particularly our creditors for their continued patience, confidence and patronage.

February 26, 2013
Karachi.

On behalf of the Board of Directors
First Dawood Investment Bank Ltd

Rafique Dawood
Chairman

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A member firm of
PrimeGlobal | An Association of Independent Accounting Firms

1st Floor, Modern Motors House,
Beaumont Road, Karachi, Pakistan
Ph:+92-21-35671909 , 35673754
Fax:+92-21-35210626
Email: khi@nzaj.com.pk
Web: www.nzaj.com.pk

INTRODUCTION:

We have reviewed the accompanying condensed interim balance sheet of **First Dawood Investment Bank Limited** ("the Company") as at December 31, 2012; and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended December 31, 2011 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2012.

SCOPE OF REVIEW:

Except as explained in the paragraph below, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR QUALIFIED CONCLUSION:

(a) as at December 31, 2012; the Company has recognized deferred tax assets of Rs. 198.89 million in respect of unabsorbed tax depreciation on leases, carry forward of unused tax losses and deductible temporary differences. As stated in note 9, the management has carried out assessment for the recoverability of the said deferred tax assets on the basis of projection for future taxable income which takes into account various assumptions regarding future business prospectus and conditions. However, we have not been provided adequate supporting documentation/bases for assumptions used in preparation of these projections and consequently, we were unable to determine whether any adjustment to the amount of deferred tax assets was necessary,

(b) as stated in note 7.3 and 11.1, 1 jumbo share certificate of investments in associated undertaking and 2 jumbo share certificates in another company having aggregate carrying value of Rs. 18.19 million were lost last year. We have seen communication with the Registrar of respective companies in this regard for issuance of duplicate share certificates; however, we were unable to obtain sufficient appropriate audit evidence as to any encumbrance of other claims on these certificates,

(c) as stated in note 7.3, 3 duplicate jumbo certificates reissued by the registrar of an associated undertaking having carrying value of Rs.13.93 are not in the name of the Company, required by section 209 of the Companies Ordinance, 1984, and

(d) the Company's holding of 26.70% shares valuing Rs.22.53 million in Dawood Family Takaful Limited (DFTL) is not in consonance with the Regulation 19 (g) of NBFC Regulation, 2008; which restrict holding of shares upto 20% of the paid-up capital of that company or 20% of its own equity, whichever is less.

QUALIFIED CONCLUSION:

Based on our review, nothing has come to our attention except matters mentioned in above paragraphs (a) to (d) that causes us to believe that the accompanying condensed interim financial information as of and for the six months period ended December 31, 2012; is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

PrimeGlobal | An Association of Independent Accounting Firms

We draw attention to following matters:

i. as described in interim financial statements that the Company is facing financial problems, its accumulated losses are in the tune of Rs. 1,439.73 million, its licenses are presently not renewed and is not being able to meet minimum equity requirement. These conditions alongwith other matters as set forth in note 1.3 on the Company's mitigation plan and note 16 relating to unfunded exposure may cast significant doubt about the Company's ability to continue as a going concern, and

ii. as stated in note 16 to the financial statements, guarantees issued by the Company amounting to Rs.1,438 million have been called by the beneficiaries including guarantees of Rs.1,098 million which are under litigation. The ultimate outcome in this regard cannot presently be ascertained.

Our conclusion is not qualified in respect of matters referred in para (i) and (ii), above.

The financial statements of the company for the year ended June 30, 2012; were audited by another firm of Chartered Accountants who vide their auditor report dated November 07, 2012; issued a qualified opinion in respect of deferred tax assets and lost jumbo certificates on those financial statements.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Shahid Hussain - FCA
Engagement Partner

Karachi
Dated: February 27, 2013

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT DECEMBER 31, 2012

	Note	Unaudited December 31, 2012 Rupees	Audited June 30, 2012 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	5,604,100	7,486,509
Investment properties		70,095,000	70,095,000
Net investment in lease finance	6	58,345,059	61,007,530
Long-term investments	7	183,115,817	186,929,237
Long-term finances	8	2,431,133	10,062,306
Long-term loans		166,743	240,797
Long-term deposits		3,500,000	3,500,000
Deferred tax asset	9	198,893,526	129,746,665
		522,151,378	469,068,044
CURRENT ASSETS			
Current portion of non-current assets	10	350,956,494	362,640,338
Short-term investments	11	71,307,452	33,736,257
Placements and finances	12	75,475,649	75,475,649
Advance against lease commitments		12,531,099	10,999,999
Loans , advances and prepayments		1,476,932	9,186,632
Mark-up accrued		2,419,416	762,053
Other asset		4,500,000	4,500,000
Other receivables		45,401,457	47,637,883
Cash and bank balances		76,293,564	139,860,361
		640,362,062	684,799,172
		1,162,513,440	1,153,867,216
EQUITY AND LIABILITIES			
Ordinary shares		626,492,900	626,492,900
Preference shares		715,833,540	715,833,540
		1,342,326,440	1,342,326,440
Reserves		333,744,789	333,744,789
Accumulated loss		(1,439,733,206)	(1,465,185,983)
		236,338,023	210,885,246
Deficit on revaluation of investments		(9,827,230)	(9,987,869)
		226,510,793	200,897,377
NON CURRENT LIABILITIES			
Long-term loans	13	217,534,968	277,663,068
Long term deposits		5,451,675	6,232,126
		222,986,643	283,895,194
CURRENT LIABILITIES			
Current portion of long-term liabilities	14	391,182,009	353,224,560
Mark-up accrued		55,428,107	49,316,029
Short term borrowings		81,418,223	81,418,223
Certificates of investment	15	88,500,000	107,250,000
Deferred Income		6,118,950	-
Accrued and other liabilities		89,852,451	76,365,833
Taxation		516,264	1,500,000
		713,016,004	669,074,645
CONTINGENCIES AND COMMITMENTS	16		
		1,162,513,440	1,153,867,216

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2012

		Six months ended December 31		Quarter ended December 31	
		2012	2011	2012	2011
	Note	<- - - - - - - - - - - - - Rupees	- - - - - - - - - - - - ->		
INCOME					
Lease income		2,801,934	8,714,954	2,796,542	6,709,650
Return on deposits and investments		9,132,847	12,003,569	6,529,166	4,540,274
Gain on sale of securities		313,676	-	(1,102,818)	-
Income from long-term finances		249,446	4,118,698	99,819	2,100,326
Other income		11,846,655	2,841,159	10,177,129	9,438,503
		24,344,558	27,678,380	18,499,838	22,788,753
PROVISION / CHANGES IN FAIR VALUE					
(Provision) / reversal for lease losses and doubtful recoveries	17	7,871,923	(141,024,383)	7,767,243	(133,659,503)
Deficit on remeasurement of held for trading securities		(778,700)	-	(343,265)	-
Loss on settlement of Liabilities		(8,500,000)	-	(8,500,000)	-
Surplus/(Deficit) on revaluation of investment property		-	-	-	-
(Impairment) / reversal of impairment in financial assets		-	(1,387,499)	-	(1,387,499)
		(1,406,777)	(142,411,882)	(1,076,022)	(135,047,002)
		22,937,781	(114,733,502)	17,423,816	(112,258,249)
EXPENDITURES					
Administrative expenses		(40,097,966)	(40,226,996)	(20,559,910)	(21,962,675)
Finance cost		(8,101,666)	(16,988,114)	(3,976,633)	(5,586,647)
		(48,199,632)	(57,215,110)	(24,536,543)	(27,549,322)
Share of (loss) / profit of associates		(4,210,357)	(15,511,355)	(4,210,357)	(7,456,191)
(LOSS) / PROFIT BEFORE TAXATION		(29,472,209)	(187,459,967)	(11,323,085)	(147,263,762)
TAXATION					
Current		(516,264)	(500,000)	(516,264)	-
Prior year		728,731	1,565,630	728,731	1,565,630
Deferred		69,146,861	(23,549,625)	-	(23,549,625)
		69,359,328	(22,483,995)	212,467	(21,983,995)
PROFIT/ (LOSS) AFTER TAXATION		39,887,119	(209,943,962)	(11,110,618)	(169,247,757)
Earning per share - basic		0.87	(3.35)	(0.06)	(2.70)
Earning per share - diluted		0.30	(1.56)	(0.08)	(1.26)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED DECEMBER 31, 2012

	Six months ended December 31 2012 Rupees	Six months ended December 31 2011 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(29,472,209)	(187,459,967)
Adjustments:		
Depreciation	1,450,009	4,466,575
Gain on sale of investments	(313,676)	-
Share of loss / (profit) of equity accounted investees	(4,210,357)	15,511,355
Finance cost	8,101,666	16,988,114
Provision against lease losses and doubtful recoveries	(7,871,923)	141,024,383
Impairment / (reversal of impairment) in financial assets	-	1,387,499
Deficit on remeasurement of held for trading securities	778,700	-
Exchange gain	(246,520)	-
Other income	(424,328)	-
	(2,736,429)	179,377,926
	(32,208,638)	(8,082,041)
Changes in operating assets and liabilities		
(Increase) / decrease in operating assets		
Net investment in lease finance	16,451,448	51,442,601
Long-term finances	1,834,395	25,419,056
Long-term loans	85,064	108,049
Placements and finances	-	290,000
Advance against lease commitments	(1,531,100)	-
Advances and prepayments	4,943,625	276,192
Mark up accrued	(1,657,363)	6,517,177
Other receivables	8,108,589	12,493,417
	28,234,659	96,546,492
	(3,973,979)	88,464,451
Increase / (decrease) in operating liabilities		
Certificates of investment	(18,750,000)	(13,250,000)
Long term deposits	(500,000)	(29,188,575)
Short term borrowings	-	-
Accrued and other liabilities	19,598,696	5,273,314
	348,696	(37,165,261)
Financial cost paid	(223,049)	(8,092,017)
Tax paid	(927,626)	(3,362,647)
Net cash (used)/generated from operating activities	(4,775,958)	39,844,526
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(440,575)	(1,047,300)
Proceed from sale of property and equipment	1,672,033	158,650
Long-term investments	-	-
Long-term deposits	-	-
Short-term investments	(37,571,195)	1,438,729
Net cash (used)/generated from investing activities	(36,339,737)	550,079

	Six months ended December 31	
	2012	2011
	Rupees	Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(22,451,102)	(8,500,000)
Long-term loans obtained	-	-
Net cash (used in) from financing activities	(22,451,102)	(8,500,000)
Net increase / (decrease) in cash and cash equivalents	(63,566,797)	31,894,605
Cash and cash equivalents at beginning of the period	139,860,361	114,051,788
Cash and cash equivalents at end of the period	76,293,564	145,946,393

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND QUARTERS ENDED DECEMBER 31, 2012

	Six months ended December 31		*Quarter ended December 31*	
	2012	*2011*	*2012*	*2011*
	<------------- *Rupees*	-------------	-------------	------------->
(Loss) / profit after taxation	39,887,119	(209,943,962)	(11,110,618)	(169,247,757)
Other comprehensive income				
Deficit on remeasurement of investments classified as available-for-sale	-	-	-	-
Share of associates' surplus on remeasurement of investments	160,639	798,554	160,639	385,998
	160,639	798,554	160,639	385,998
Total comprehensive (loss) / income for the period	40,047,758	(209,145,408)	(10,949,979)	(168,861,759)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS AND QUARTERS ENDED DECEMBER 31, 2012

	Share Capital		Capital Reserve			Revenue Reserve		
	Ordinary Shares	*Preference Shares*	*Statutory Reserve*	*Premium on Right Issue*	*Capital Reserve on Acquisition*	*Deficit on Revaluation of Investments*	*Accumulated Losses*	*Total*
	<------------			------------ *Rupees*	------------			------------>
Balance at July 01, 2011	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(24,762,440)	(1,060,165,419)	591,143,370
Total comprehensive income for the period								
- Loss for the period	-	-	-	-	-		(209,943,962)	(209,943,962)
- Other comprehensive income	-	-	-	-	-	798,554	-	798,554
Dividend on preference shares @ 4%	-	-	-	-	-		(14,434,342)	(14,434,342)
Balance as at December 31, 2011	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(23,963,886)	(1,284,543,723)	367,563,620
Total comprehensive income for the period								
- Loss for the period	-	-	-	-	-	-	(166,443,260)	(166,443,260)
- Other comprehensive income	-	-	-	-	-	13,976,017	-	13,976,017
Dividend on preference shares @ 4%	-	-	-	-	-	-	(14,199,000)	(14,199,000)
Balance at June 30, 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(9,987,869)	(1,465,185,983)	200,897,377
Total comprehensive income for the period								
- Profit for the period	-	-	-	-	-	-	39,887,119	39,887,119
- Other comprehensive income	-	-	-	-	-	160,639	-	160,639
Dividend on preference shares @ 4%	-	-	-	-	-	-	(14,434,342)	(14,434,342)
Balance as at December 31, 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(9,827,230)	(1,439,733,206)	226,510,793

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS AND QUARTERS ENDED DECEMBER 31, 2012

1. STATUS AND NATURE OF BUSINESS

1.1 First Dawood Investment Bank Limited ("the Company") was incorporated on June 22, 1994 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. The registered office of the Company is situated in Karachi, Pakistan. The Company had obtained the licenses for Leasing Business and Investment and Finance Services under Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the Rules") and Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulation") from the Securities and Exchange Commission of Pakistan (SECP) which have been expired.

1.2 The Company is also acting as trustees to Term Finance Certificates / Sukuk issued by Standard Chartered Bank (Pakistan) Limited, Askari Bank Limited, Allied Bank of Pakistan, Escorts Investment Bank Limited, Engro Fertilizers Limited, Orix Leasing Pakistan Limited - 2, Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Pvt.) Limited, Security Leasing Company Limited, Dewan Cement Limited, House Building Finance Company Limited, Bunny's Limited, Pak Hy-Oils Limited, and Flying Board and Paper Products Limited. The value of such assets as at Dec 31, 2012 amounted to Rs. 19.75 billion (2012: 21.75 billion).

1.3 The Company incurred net profit of Rs. 39.88 million during the period ended December 31, 2012 and its accumulated loss reduced to Rs. 1,439.73 on as at December 31, 2012. The Company started facing financial difficulties from second quarter of financial year 2008-09 as a result of unwarranted liquidity crunch in the financial sector which resulted in withdrawal of money market lines of NBFC sector. The clean money market lines of the Company of over Rs. 5 billion from the banking sector were abruptly withdrawn and hence Company was unable to meet its commitments due to liquidity crunch. Certain banks and financial institutions filed cases and / or served legal notices against the Company. These resulted in down grading of credit rating, non compliance of requirements of NBFC Regulations regarding minimum capital. Further, leasing license has not been renewed and permission to issue certificates of investment and deposit has been withdrawn. 'Presently, the equity of the Company is Rs. 226.51 million which is below the Minimum Equity Requirement (MER) of Rs. 1,200 million as prescribed by the Securities and Exchange Commission of Pakistan (SECP) through its SRO No. 764(I) of 2009 dated September 02, 2009.

However, the management is confident that with an equity of Rs. 226.51 million, the Company will be able to continue as a going concern and will be able to perform according to the following mitigation plan:

Mitigation plan

The requirement of MER will be addressed through reversal of provisions by recovering outstanding advances and other mitigation plan as discussed in detail below. Further, MER is expected to be revised downwards and as initially discussed and proposed by market participants under the guidance of SECP. It is expected that the revised MER regime will be effective by the end of the current financial year. This will not only provide respite to the Company, but to all NBFCs / Modarabas. Nevertheless, if enhanced minimum capital requirement vide SRO No. 764(I) of 2009 dated September 02, 2009 is not deferred, the Company will (i) issue right shares (ii) induct foreign or local partner (iii) merger or acquisition if such option is viable; or (iv) any other arrangement which will ensure compliance of MER. However, the sponsoring directors are committed to subscribe their portion of right issue.

Renewal of license

The request of the Company for renewal of licenses continues to remain with SECP. As cited above, this is primarily because SECP is working on a new model for NBFC sector which also includes revision in existing licensing regime. Under the new regime concept of one license to undertake all the three activities of (i) Investment Banking; (ii) Leasing; and (iii) Housing Finance is also being considered. The Company should be able to renew its 'Leasing and Investment Finance Services Licenses (i.e. without permission for deposit raising)', as the Company's equity is above Rs. 200 million and in addition the Company's Capital Adequacy Ratio (CAR) / Tangible Common Equity to Risk-Weighted Assets Ratio is also being maintained above 8% as per the proposed model.

Debt equity swap, restructuring and settlement with financial institutions

Over the years the Company has been able to restructure majority of its liabilities at a markup ranges from 0% to 5% which have been spread over long term period. The Company is now also actively pursuing one of the financial institutions for settlement of their outstanding liability of Rs.100 million. The negotiations have been finalised and out of court agreement is now expected to filed soon.

The Company issued cumulative preference shares of Rs. 715.83 million on June 09, 2010 against settlement of various liabilities / loans. These preference shares carry preference dividend @ 4% on cumulative basis and are redeemable at par after five years. The issuer subject to the special resolution have call option to convert these shares into ordinary shares of the Company at par value of Rs. 10 along with cumulative dividend at any time after period of 2 years of the issuance. The Company expects that the preference shares along with the cumulative dividend will be converted into ordinary shares of the Company which will strengthen the equity base of the Company.

Provisioning for non-performing leases and other advances

The management has made reversal of Rs. 7.87 million on outstanding leases and advances portfolio during the current year as compared to provision of Rs. 141.02 million same period made last year.

The Securities Exchange Commission of Pakistan (SECP) revised the Non-Banking Finance Companies and Notified Entities Regulations through SRO 1203(I) 2008 dated November 21, 2008. In accordance with Regulation 25 of the said regulations, the SECP has revised the basis of classification and provisioning requirement in respect of non-performing short-term and long-term financing facilities as per Schedule XI which has now been implemented from July 1, 2012.

Previously this was governed by Schedule X which had separate criteria for Short & Medium Term financing facilities and Long Term financing facilities, whereas Schedule XI now has simplified the process and lays down same criteria for all. In addition, the basis of classification of loans and advances and net investment in finance leases under these three categories has been redefined whereby all finances overdue by 90, 180 and 365 days are now required to be classified as substandard, doubtful and loss respectively. Further Other Assets Especially Mentioned (OAEM) category has been removed and only three classification categories are left (i) sub-standard , (ii) doubtful and (iii) loss.

'The revised guidelines specify that provision should be made in the financial statements equal to 25 percent, 50 percent and 100 percent, in respect of overdue financing facilities classified as substandard, doubtful and loss respectively, of the outstanding balance of principal less the amount of liquid assets realizable and adjusted forced sale value of mortgaged / pledged assets.

Litigations

In case of funded liabilities, only two cases are pending in the court of law COIs amounting to State Life Insurance Company Limited (SLICL) amounting to Rs. 100 million which near resolution through out of court settlement. House Building Finance Company Limited (HBFC) has obtained a decree of Rs. 75 million and as per the order of the Court, some of the Company's investment in shares and debt instruments have been attached in favor of Nazir of High Court. The Company is willing to surrender these assets in settlement.

Bank guarantees

Total amount of guarantees outstanding as at June 30, 2010 were Rs. 3,441 million which came down to Rs. 2,991 million as of June 30, 2011 and Rs. 2,038 million as of December 31, 2012 mainly due to expiry / return of guarantee documents. The guarantees amounting to Rs.1,098 million are under litigation. The legal counsel of the Company is confident that no funding claim will arise out of these guarantees due to some basic flaws in guarantee documentation and not meeting terms of the guarantees by their beneficiaries.

Credit rating

The Company has yet not sought fresh credit rating from credit rating agencies. PACRA downgraded Company’s rating to “D” in December 2009 despite the fact that reasonable restructuring / settlements had been achieved. The management will seek fresh entity rating once the licenses are renewed and normal business functioning of the Company is recommenced.

SECP report

Inspection of the Company's affairs was conducted by SECP during the financial year 2010-2011. The Company responded to the final report, resolved most of the significant issues highlighted. Thereafter no significant correspondence has been made with the SECP apart from regular queries.

Expected settlements and resultant reversal of provisions

The emphasis of the Board of Directors and management is now on the sustainability of the Company. Full efforts have been diverted to recoveries of outstanding receivables for which the recovery teams have been reinforced with competent personnel. The recovery drive is expected to resurrect the Company's financial position. So far, outcome of these recovery efforts are very encouraging and promising; as such these recoveries have boosted the cash reserves of the Company. During the year, Court decree of Rs 69.7 million for transfer of collateral properties of two borrowers have been issued in favor of the Company. Subsequent to the year ended June 30, 2012, Memorandum of Understanding (MOU) has been signed between one of the borrowers and the Company in which the borrower agreed to transfer 126 acre land valuing Rs 40 million to the Company. Further, communication from the certain borrowers are in process and it is expected that approximately Rs 180 million would be received / settled in the financial year ending June 30, 2013 which will result in reversal of provisions made against these receivables.

Future prospects

The quantum of provisions have increased during the period ended due to rigorous provisioning requirements of NBFC Regulations, however, a sizeable recovery of non-performing lease and advances portfolio will provide a good cash flow cushion within next two to three years. The management is confident that it will manage to continue writing back provisions as a result of expected recoveries which will result in better cash flows for starting new businesses. Moreover, the positive current ratio and improved cash and bank position would assist in making fresh investments in order to generate operating income.

Under the revised business plan, low concentration has been given to inter-bank borrowings. Further, during the year the Company has sold its office premises for making partial settlement of its loan liability with a commercial bank and it has now plan to construct a purpose built office in DHA, Karachi. Moreover, recoveries through acquiring possession of agricultural lands at Gharo, Thatta is being planned which will be utilized for Musharaka Facility for new projects which would generate a steady income flow for the Company in future years. The management is committed in recommencing its leasing business and successfully turn around the Company for the benefit of its creditors, shareholders and other stakeholders.

Further, the SECP is framing revised business models for the investment banks which will ensure that investment banking functions would not be entertained by other organizations in the financial sector except investment banks. Moreover new ways and means are being defined to generate liquidity in NBFC sector apart from the current channels. With the approval of new business policy, the sector will offer bright prospects to the shareholders and new investors.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the requirements of Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulation), the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Companies Ordinance, 1984 (the Ordinance), directives issued by the SECP and approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Ordinance. Wherever, the requirements of the Rules, the Regulations, the Ordinance or directives issued by SECP differ with the requirements of these standards, the requirements of the Regulations, the NBFC Rules, the Ordinance and the said directives take precedence. The disclosures made in these interim financial information have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.

2.2 These condensed interim financial statements are unaudited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of the provisions of the Code of Corporate Governance and are being submitted to the shareholders as required under section 245 of the Companies Ordinance,1984 and Listing Regulations of Stock Exchange.

3. BASIS OF MEASUREMENT

These interim financial information have been prepared under the historical cost convention except for the measurement of certain financial instruments at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2012.

	Note	*December 31, 2012 Rupees*	*June 30, 2012 Rupees*
5. PROPERTY AND EQUIPMENT			
5.1 Acquisition of assets - at cost			
Leasehold improvement		-	770,000
Vehicles		265,000	360,300
Equipment and appliances		175,575	143,491
		440,575	1,273,791

	Note	December 31, 2012 Rupees	June 30, 2012 Rupees
5.2 Disposal of assets - at cost			
Office premises		-	51,072,000
Leasehold improvement		-	7,668,253
Vehicles		1,620,500	4,281,109
Equipment and appliances		-	70,350
		1,620,500	63,091,712

6. NET INVESTMENT IN LEASE FINANCE

	Note	December 31, 2012 Rupees	June 30, 2012 Rupees
Net investment in lease finance	6.1	738,425,430	754,876,878
Provision for potential lease losses	6.2	(482,981,332)	(485,097,475)
Current portion	6.3 & 10	(197,099,039)	(208,771,873)
		58,345,059	61,007,530

6.1 Particulars of net investment in lease finance

Minimum lease payments receivable		748,574,495	767,322,488
Residual value of leased assets		139,178,225	139,678,225
		887,752,720	907,000,713
Unearned finance income		(149,327,290)	(152,123,835)
Net investment in lease finance		738,425,430	754,876,878

6.1.1 As at December 31, 2012, the balance of non-performing lease portfolio as per time based criteria prescribed in NBFC Regulations, 2008 amounting to Rs.699.36 million (June 30, 2012 : Rs.723.01 million). The forced sale value considered against these non-performing lease portfolio amounting to Rs 84.01 million (June 30, 2012: Rs 91.52 million).

6.1.2 These lease finances carry mark up ranging from 8% to 29.17% (June 30, 2012 8% to 29.17%) having maturity period of three to five years and are secured against leased assets.

6.2 Provision for potential lease losses

Opening balance		485,097,475	313,945,872
(Reversal) / Charge for the period - net		(1,830,202)	225,079,586
Written off during the period		(285,941)	(53,927,983)
Closing balance		482,981,332	485,097,475

6.3 Current portion of lease finance

Maturing within one year		680,080,371	693,869,348
Provision for potential lease losses		(482,981,332)	(485,097,475)
		197,099,039	208,771,873

7. LONG TERM INVESTMENTS

Investment in associates	7.1	178,311,119	182,360,837
US Dollar bonds	7.2	4,804,698	4,568,400
		183,115,817	186,929,237

7.1 Investment in associates

Opening balance		182,360,837	163,947,170
Increase in interest of associates		-	45,000,000
Share of (loss) / gain		(4,210,357)	(27,454,104)
Share of surplus on revaluation of investments		160,639	867,771
Transfer from available-for-sale investment		-	-
		178,311,119	182,360,837

7.2 These are guaranteed non-voting, non cumulative perpetual preferred securities and entitle holders to receive non cumulative preferential cash distributions payable on quarterly basis at the rate of 6.85% per annum.

7.3 One jumbo certificate representing 4,762,100 shares of B.R.R investment (Private) Limited having carrying value of Rs. 18.19 million lost last year.Further three duplicate jumbo certificates of DFTL representing 1,960,000 shares are not in the name of the Company.

	Notes	December 31, 2012 Rupees	June 30, 2012 Rupees

8. LONG-TERM FINANCES

	Notes	December 31, 2012 Rupees	June 30, 2012 Rupees
Term finance facilities	8.1 & 8.2	355,059,593	356,893,988
Provision for doubtful finances	8.3	(198,834,995)	(193,038,217)
Current portion	10	(153,793,465)	(153,793,465)
		2,431,133	10,062,306

8.1 The mark-up / profit rates on these facilities ranges from 8% to 18.27% (2012: 8% to 18.27%) per annum subject to change in SBP discount rate and KIBOR, receivable on monthly / quarterly basis. These are secured against mortgage of immovable properties and principal will be redeemed upto July 2017.

8.2 These include Rs. 352.85 million (June 30, 2012 : Rs.355.29 million) which have been placed under non-performing status. The forced sales value considered against these non-performing finances amounting to Rs. 176.06 million (June 30, 2012 : 176.06 million).

8.3 Particulars of provision for doubtful finances

	December 31, 2012	June 30, 2012
Opening balance	193,038,217	140,556,121
(Reversal) / charge for the period - net	6,035,320	52,549,865
Written off	(238,542)	(67,769)
Closing balance	198,834,995	193,038,217

9. DEFERRED TAX ASSET

Deferred tax asset is recognized in respect of carry forward assessed tax losses/deductible temporary differences to the extent it is probable that there will be future taxable profits against which these losses/deductible temporary differences can be utilized. The Company has engaged an independent firm of Chartered Accountants for the preparation of five year business plan which has been duly reviewed and approved the Board of Directors. The business plan involves certain key assumptions underlying the estimation of future taxable profits including injection of fresh equity. The determination of future taxable profit is directly related and sensitive to certain key assumptions such as recoveries of outstanding lease and long term finances, resumption of licenses, expected return on investments and bank balances etc. Any change in the key assumptions may have an effect on the realisability of the deferred tax asset. The Board and management believes that it is probable that the Company will be able to achieve the profits projected in the business plan and consequently it is expected that out of the total deferred tax asset of Rs. 933.35 million as at December 31, 2012; the deferred tax asset up to Rs. 198.89 million will be realized in the future. Accordingly, the Company has not recognized deferred tax assets of Rs. 734.46 million in respect of remaining carry forward losses and deductible temporary differences.

10. CURRENT PORTION OF NON-CURRENT ASSETS

	Notes	December 31, 2012	June 30, 2012
Net investment in lease finance	6	197,099,039	208,771,873
Long-term finances	8	153,793,465	153,793,465
Long-term loans		63,990	75,000
		350,956,494	362,640,338

11. SHORT TERM INVESTMENTS

	December 31, 2012	June 30, 2012
Held-for-trading		
Listed ordinary shares	23,952,943	6,381,748
Available-for-sale		
Term finance certificates / sukuk bonds	27,675,786	7,675,786
Unquoted securities	19,678,723	19,678,723
	47,354,509	27,354,509
	71,307,452	33,736,257

11.1 Two jumbo certificates representing 2,518,454 shares having carrying value of Rs. Nil (fully impaired) were lost from Head office last year.

	Note	December 31, 2012 Rupees	June 30, 2012 Rupees
12. PLACEMENTS AND FINANCES			
Placement and finance- unsecured	12.1	14,500,000	14,500,000
Provision for doubtful finances		(14,500,000)	(14,500,000)
		-	-
Financing against shares	12.2	311,071,100	311,071,100
Provision for doubtful finances		(311,071,100)	(311,071,100)
		-	-
Short-term finance - secured	12.3	66,081,567	66,081,567
Provision for doubtful finances		(39,500,901)	(39,500,901)
		26,580,666	26,580,666
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / musharaka finances	12.4	124,018,446	124,018,446
Provision for doubtful finances		(75,123,463)	(75,123,463)
		48,894,983	48,894,983
		75,475,649	75,475,649

12.1 The placement matured on June 30, 2012 and was carrying profit at the rate of 12.5 % (2012: 12.5%) per annum .

12.2 These are secured against listed equity securities of Rs. nil (2012: Rs. 0.31 million) held as collateral at December 31, 2012. These financing were made to companies and individuals in the normal course of business and were carrying profit at rates ranging from 15% to 24% (2012: 15% to 24%) per annum. The finances matured on June 30, 2009.

12.3 These are secured by ranking charge over hypothecation of stock and mortgage of immovable properties. These were carrying mark-up / profit ranges from 15.05 % to 16.1 % (2012: 15.05% to 18.11%) per annum. These facilities were matured on June 30, 2009.

12.4 These are secured by hypothecation of all present and future stocks, receivables, demand promissory note and personal guarantee of directors and borrowers. These were carrying mark-up / profit ranges from 8.5 % to 19.5 % (2012 : 8.5% to 19.5%) per annum subject to change in KIBOR. These facilities were matured on June 30, 2009.

	Note	December 31, 2012 Rupees	June 30, 2012 Rupees
13. LONG TERM LOANS			
Secured			
Asian Development Bank	13.1	40,509,242	49,460,344
Commercial Banks	13.2	447,385,597	460,885,597
		487,894,839	510,345,941
Current portion	14	(270,359,871)	(232,682,873)
		217,534,968	277,663,068

13.1 This represents a 15 year term loan facility, with a grace period of three years, obtained in trenches under Financial Sector Intermediation Loan No. 1371-PAK. The loan is subject to interest at the rate of 0.25% over variable Ordinary Capital Resource (OCR) rate of Asian Development Bank. The repayments are semi-annual and secured by guarantee of a development financial institution. The guarantee is secured against hypothecation of assets including book debts of the Company ranking pari-passu with charge created to secure redeemable capital.

13.2 These are secured against hypothecation of assets including book debts of the Company ranking pari passu, with the charge created in favour of other lenders to secure short term borrowings. These are subject to mark-up rate ranging from 0% to 5% (2012: 0% to 3%) per annum payable on quarterly / half yearly basis.

	Note	December 31, 2012 Rupees	June 30 2012 Rupees
14. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans		270,359,871	232,682,873
Lease deposits		120,822,138	120,541,687
		391,182,009	353,224,560

	Note	December 31, 2012 Rupees	June 30 2012 Rupees
15. SHORT TERM CERTIFICATES OF INVESTMENT			
Non Banking Financial Institutions	15.1	88,500,000	107,250,000

15.1 An out of court settlement with State Life Corporation of Pakistan (SLIC) was initiated on December 29, 2012 with assistance of Karachi Centre for Dispute Resolution (KCDR). Subsequently a Compromise Application was filed and accepted by the Honourable High Court of Sindh on February 6, 2013. According to the agreement terms have to be executed within 90 days of the signing i.e. by March 29, 2013 and in lieu of which agreed assets have been transferred except for 8.4Million shares of Burj Bank Limited which at present FDIBL do not hold. However, sponsors are committed to make the aforesaid shares available for settlement with SLIC within stipulated time.

	Note	December 31, 2012 Rupees	June 30, 2012 Rupees
16. CONTINGENCIES AND COMMITMENTS			
16.1 Contingent liabilities			
Letters of comfort / guarantee		2,038,000,000	2,038,000,000

"During the current year, documents relating to expired guarantees of Rs. 953.35 million have been returned to the Company. The outstanding guarantees include expired guarantees amounting to Rs. 600 million (2012: Rs. 600 million) original documents of which have not yet been returned to the Company. The outstanding guarantees also include guarantees amounting to Rs. 1,438 million (2012: Rs. 1,438 million) called by the beneficiaries. Out of the called guarantees, the guarantees worth Rs. 1,098 million (2012: Rs. 623 million) are under litigations and are being defended by lawyers of the Company. "

a) Guarantees against gas bills

Guarantees against gas bill provided to utility company amounting to Rs. 500 million (2012: Rs.500 million) were expired in the year 2010. However, the original guarantee documents have not yet been returned by the customer. The legal advisors of the Company are of the view that the Company does not have any financial exposure in respect of these guarantees as these have already been expired.

Out of the two guarantees, a guarantee of Rs. 270 million has been called by the beneficiary after its expiry date.

b) Guarantees against finances

The above amount includes guarantees held by commercial banks amounting to Rs. 110 million (2012: Rs.110 million) issued against the financing facilities extended to the clients. Out of two guarantees, one guarantee of Rs. 100 million has been called by the beneficiary. The legal advisors of the Company are of the view that the Company has good merits to defend the case.

c) Under litigation

"These are guarantees amounting to Rs. 1,098 million (2012:Rs.623 million) which were called and are under dispute/ litigations which are being defended by the competent lawyers. Based on the view of its legal advisors, the management is confident that adequate legal grounds are available to defend these cases. Accordingly, no provision has been made for the said cases in these financial statements. Brief detail of the guarantees under litigations is as under: "

i) "A guarantee of Rs. 245 million was given against a Letter of Commitment and not against a guarantee which is currently in litigation. The beneficiary has restructured its facilities to the customer, hence the amount is disputed. The beneficiary has filed a recovery case and winding up petition against the Company in the High Court of Sindh. According to the Company's legal advisors, the Company has good merits to defend both recovery case and winding up petition."

ii) "A guarantee of Rs. 250 million against the repayment of Sukuk was called as the principal debtor defaulted n payment of installment of the said Sukuk Issue. The Trustee of Sukuk has filed a recovery suit against the Company in Sindh High Court, which is pending hearing. Based on the views of its legal advisors, the management is confident that the matter will be disposed off in due course in favor of the Company."

iii) "A guarantee of Rs. 128 million against the bridge finance facility was called as the party in whose favor guarantee was given defaulted in making payment to the beneficiary bank. The Company contended that since the beneficiary converted the bridge finance facility to term finance facility, the Company's liability under the guarantees comes to an end. The beneficiary has filed winding up petition and suit for recovery in the Sindh High Court, which is pending hearing. According to Company's legal advisor, the Company has good merits to defend both the recovery case and the winding up petition."

"The beneficiary also send legal notice to the Company under the National Accountability Bureau Ordinance, 1999 (NAB Ordinance) against which the Company filed an application to restrain the beneficiary, by way of interim relief, from taking any action pursuant to the said notice till the decision of the suit. The said interim relief was duly granted. The beneficiary has filed an appeal against the said interim order. According to the Company's legal advisor, the appeal is not maintainable."

16.2 "Commissioner of Income Tax (CIT) has disallowed certain expenses while allocating expenses for the assessment year 2001-02 and tax year 2003 resulting in increase in tax liability by Rs.0.58 million with reduction in lease losses for the year by Rs. 10.75 million. The Company filed appeals in Appellate Tribunal Inland Revenue (ATIR) which were decided in favor of the Company, however, the CIT has filed appeal against ATIR decision for rectification. Based on the advice of the tax advisors of the Company, the management is confident that it will not result in any cash outflow from the Company."

17. PROVISION / (REVERSAL) FOR LEASE LOSSES AND DOUBTFUL RECOVERIES

	Note	*December 31, 2012 Rupees*	*June 30, 2012 Rupees*
Net investment in lease finance	6	(2,116,143)	225,079,586
Long term finances	8	5,796,778	52,549,865
Placements		-	14,500,000
Financing against shares	12	-	(29,684,224)
Short-term finances	12	-	26,067,423
Morabaha / musharaka finance	12	-	16,389,803
Advance against lease commitment		(6,531,100)	(30,919,716)
Other receivables		(5,021,458)	34,244,520
		(7,871,923)	308,227,257

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnels and their close family members.

Details of transactions with related parties and balances with them as at period / year-end are as follows: -

	December 31, 2012		June 30, 2012	
	Key management personnel	Associates/ related parties	Key management personnel	Associates/ related parties
	---------------------------------- Rupees	----------------------------------		
Long term finances / loans				
Balance at beginning of the period / year	-	-	71,799	-
Sanctioned / granted	-	-	-	-
Received during the period / year	-	-	(71,799)	-
Balance at end of the period / year	-	-	-	-
Investment in associate				
Balance at beginning of the period / year	-	182,360,837	-	163,947,170
Increase in equity holding	-	-	-	45,000,000
Transfer to / (from) available for		-		
sale investments	-	-	-	-
Share of (loss / profit)	-	(4,210,357)	-	(27,454,104)
Share of surplus / (deficit) on				
revaluation	-	160,639	-	867,771
Balance at end of the period / year	-	178,311,119	-	182,360,837
Short term loan	-	3,000,000	-	8,100,000
Acquisition of fixed assets - cost	-	85,000	3,224,350	-
Advance for capital expenditure		42,500		
Disposal of fixed assets - cost	-	(41,500)	-	-
Unearned rent	-	2,534,000	-	3,077,000
Markup accrued	-	-	-	714,000
Settlement transactions				
Short term investments acquired	-	-	-	146,000,000
Property transferred	-	-	-	70,000,000
Term finance facility received				7,500,000
Term finance facility transferred				7,151,192
Other receivables acquired	-	-	-	26,950,351
Cash paid				26,000,000
Short term investments transferred	-	-	-	50,000,000
Charge to profit and loss account				
Loss on disposal of property	-	-	-	32,409,729
Return on placements, finances,				
deposits and investments	-	-	-	714,000
Common expenses paid	-	1,379,309	-	3,370,682
Share of (loss) / profit from associate	-	(4,210,357)	-	(27,454,104)
Share of common expenses received	-	383,052	-	3,245,099
Service charges on staff loan	9,287	-	18,335	-
Rental income	-	543,000	-	2,334,790
Rental expense		1,146,960		964,640
Insurance expense		36,039		94,207

19. SEGMENT ANALYSIS

Segment information for the six months period ended December 31, 2012 is as follows: -

	Leasing	*Investments*	*Long Term Finances*	*Placements & Finances*	*Fee, Commission & Other Income*	*Total*
	<----------	----------	----------	*Rupees*	----------	---------->
External operating revenue	2,801,934	7,170,561	249,446	-	14,122,617	24,344,558
Unallocated revenue	-	-	-	-	-	-
Total segment revenue	2,801,934	7,170,561	249,446	-	14,122,617	24,344,558
Segment results	4,590,803	11,748,540	408,703	-	23,139,073	39,887,119
Unallocated revenue						-
Loss for the period						39,887,119
Segment assets	267,975,197	254,423,269	156,224,598	75,475,649	-	754,098,713
Unallocated assets						408,414,728
Total assets						1,162,513,440
Segment liabilities	332,616,260	315,795,331	193,909,146	93,681,909	-	936,002,647
Unallocated liabilities						-
						936,002,647

Segment information for the six months period ended December 31, 2011 is as follows: -

	Leasing	*Investments*	*Long Term Finances*	*Placements & Finances*	*Fee, Commission & Other Income*	*Total*
	<----------	----------	----------	*Rupees*	----------	---------->
External operating revenue	8,714,954	11,003,569	4,118,698	1,000,000	2,841,159	27,678,380
Unallocated revenue	-	-	-	-	-	2,217
Total segment revenue	8,714,954	11,003,569	4,118,698	1,000,000	2,841,159	27,680,597
Segment results	(66,104,012)	(83,463,442)	(31,240,838)	(7,585,125)	(21,550,545)	(209,943,962)
Unallocated revenue						-
Profit for the period						(209,943,962)
Segment assets	470,881,318	206,534,229	243,153,645	122,080,322	-	1,042,649,514
Investment in associates						194,234,369
Unallocated assets						323,782,907
Total assets						1,560,666,790
Segment liabilities	538,829,190	236,336,986	278,240,560	139,696,434	-	1,193,103,170
Unallocated liabilities						367,563,620
						1,560,666,790

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 26, 2013 by the Board of Directors of the Company.

21. GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

BOOK POST

If undelivered, Please return to:
FIRST DAWOOD INVESTMENT BANK LTD
1900-B, Saima Trade Towers
I.I. Chudrigar Road, Karachi 74000

FIRST DAWOOD INVESTMENT BANK LIMITED

Head Office : 1900-B, Saima Trade Towers I.I. Chundrigar Road, Karachi-74000
PABX : +92 (21) 3227-1875-80, 37010960-65, 37014641-44
Fax : +92 (21) 3227-1912-13 Email : fdib@firstdawood.com

Islamabad : Office No. 405, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Islamabad.
Tel: +92 (051) 289-4486 Fax: +92 (051) 289-4487
Email: brrgmisb@yahoo.com

Lahore : Suite No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg III, Lahore
Tel : +92 (42) 3578-1888 Fax : +92 (42) 3578-1890 Email : fdibl@yahoo.com